GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2178
ANSWERED ON:28.07.2017
GST on Petroleum Products
Sarania Shri Naba Kumar

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has not implemented Goods and Services Tax (GST) on petroleum products whereas GST is implemented on all the goods and if so, the reasons therefor;

(b) whether the people pay maximum tax on petroleum products in the country and if so, the details thereof; and

(c) whether the prices of petrol will come to half if it is brought under maximum limit of 28 per cent of GST by eliminating Central and State taxes and if so, the details thereof?

Answer

The MINISTER of STATE IN MINISTRY OF FINANCE

(a) Yes Sir. The date for the implementation of GST on petroleum products has to be decided by the GST Council as per Article 279A (5) of the Constitution of India. The said Article states that "The Goods and Services Tax Council shall recommend the date on which the goods and services tax be levied on petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel".

(b) Presently the tax incidence (both central and state taxes) on petroleum products namely, on Diesel is about 86.33% and on Petrol is about 119.99%.

(c) The Goods and Services Tax Council shall make recommendations to the Union and the States on the rates for petroleum products. In respect of the goods presently under GST, the GST rates have been fixed generally based on the pre-GST indirect tax incidence on such goods.